ANNUAL REPORT

OF

THE MANAGERS

OF THE

UNION CANAL COMPANY

OF PENNSYLVANIA,

TO THE STOCKHOLDERS.

NOVEMBER 17, 1840.

PHILADELPHIA:
JOHN C. CLARK, PRINTER, 60 DOCK STREET.
1840.

At the Annual Meeting of Stockholders of the Union Canal Company of Pennsylvania, held at their Office, in Carpenter's Court, November 17th, 1840, the following Report was presented, read, and accepted, and is now printed in compliance with the provisions of the Charter.

On the same day the following Gentlemen were elected to manage the affairs of the Company for the ensuing year.

PRESIDENT.

JAMES CLARKE.

MANAGERS.

CHARLES GRAFF,
WILLIAM BOYD,
FRANCIS G. SMITH,
JOSEPH HOPKINSON,
THOMAS BIDDLE,
JOHN BOHLEN,
JACOB GRATZ,
CHARLES DUTILH,
SIMEON TOBY,
FREDERICK FRALEY,
SAMUEL V. MERRICK,
JACOB LEX.

REPORT.

The Managers of the Union Canal Company of Pennsylvania present their twenty-ninth Annual Report. The navigation of the Canal terminated on the fourteenth day of December, 1839, which was only a few days earlier than usual; but the early severity of the weather materially diminished the amount of tolls for the period between the end of the official year and the cessation of the transportation business. Immediately after the close of the season the prosecution of the repairs for the most defective portions of the summit and main line of the Canal was begun, and, to the extent of the means of the Company, every thing in the power of the Board was done to put all parts of the work in a good condition to meet the spring trade. A new set of boilers have been procured for the steam engine at the Water Works, and would have been set up at the commencement of the present year's business; but from a desire on the part of the Resident Engineer to obtain further service from the old set, which were in active use when the new ones reached Lebanon, and a hope that the pumping power of the Company at that location could be increased during the year, by the purchase of an additional engine. The ordinary repairs of the whole of the main line, and branch Canal, were seasonably completed, and, at the opening of the navigation, on the sixteenth day of March, 1840, the Board felt assured that the work was in a condition to receive and carry towards their respective points of

destination, the produce of the interior, and the goods purchased for the country trade with as much security, certainty, and despatch, as any other Canal in the state.

While they have no extensive breaches or accidents affecting the navigation to regret, they are called upon again to inform the Stockholders that the continued depression of trade has prevented the realization of a sufficient sum to enable the Company to pay the whole of the interest on its loans as the quarterly payments fell due; their ability having been limited to the payments becoming due on the 16th of April and July last, and to six months' interest on the unpaid interest which had accumulated up to the 16th of January last. In regard to the latter payment, the Board beg leave to communicate that, under resolutions, adopted at a meeting of the Stock and Loanholders, on the fifth day of March last, the whole of the unpaid interest of the Company, at that time, was consolidated into a loan, bearing six per cent. per annum interest, and redeemable on the sixteenth day of January, 1850. The amount thus provided for was found to be $241,968.14; and certificates have been issued, amounting to $187,625.59; leaving a balance of $54,342.55, yet to be converted.

The financial condition of the Company, as developed by a recent report of the Committee of Accounts, exhibits the necessity of awakening a strong popular sympathy in behalf of the Union Canal, and of securing, by such sympathy, an amount adequate to effect certain improvements and alterations, which will place our work in a condition of effective and profitable union with the links of the great chain of Canals to the west and north-west of Middletown, and east of Reading.

To enable the Stockholders of the Union Canal Company to enter the halls of the Legislature with successful solicitations for state patronage, and also to command, from the confidence of their fellow citizens,

an amount which, if joined to a liberal subscription on the part of the Commonwealth, would secure the enlargement of the Union Canal, it has been deemed advisable to present a condensed view of the actual condition of our affairs; of the capacity of our present works, and an estimate of the cost of making those changes which experience has suggested as necessary for securing the trade of the interior, not only to our Canal, but in a very eminent degree, to the city of Philadelphia.

The Capital Stock of the Company consists of four thousand one hundred and eighty-nine shares, at $200 each, making the sum of - - $829,800 00

The Loans of the Company, negotiated at various periods, bearing six per cent. per annum interest, and now all at maturity, amount to - - - - 1,781,300 00

The amount of unpaid interest, authorized to be converted into six per cent. loan, redeemable in 1850, amounted on the 16th of January last, to - - 241,968 14

$2,883,068 14

and the Company became indebted, on the 16th of October last, $26,719.50, for three months' interest on the loans, which the Board have hitherto been unable to meet out of the receipts for tolls. The Company is also indebted in the sum of $2,800, which will fall due on the first of May next, being the third and last payment for a small farm and mill-seat, at the pond-pumping station, which it became necessary to purchase about two years ago, for the command of a supply of water to the summit. It has been deemed absolutely necessary by the Board, to retain the small amount of tolls which have accrued since the sixteenth of July last, over and above the actual disbursements of

the Company for superintendence and current daily expenses, damages and repairs, for the purpose of completing the repairs of the summit-level, which were begun last year, renewing the locks on the Branch Canal, and thoroughly repairing the pumping apparatus at the two stations near Lebanon.

In regard to the capacity of the Canal, it will be recollected by those familiar with the early history of internal improvement, that a burthen of about thirty tons was considered a large provision for any artificial navigation; and the limitation in the old charters, to which our own succeeded, that boats of the capacity of seven tons should be able to pass and repass on the Canal, sufficiently indicates that the truly gigantic enterprises of the present advanced condition of the subject had barely then been dreamed of. Our work was begun and prosecuted according to the best lights of science in its day; and it is no fault, chargeable to its early Managers, that its usefulness has been, in some degree, impaired by the present improved works of the Company, which successfully occupies a portion of our original route; and by the noble works of the State, constructed on the largest plan; with both of which it forms the only natural and appropriate connecting link. The Union Canal, in its main stem, connecting the Susquehanna and Schuylkill rivers, is about eighty miles long, thirty-six feet wide at the top water-line, and twenty-four feet wide at the bottom, and four feet deep; passing the whole elevation and depression of the country, in the distance of eighty miles, by ninety-three locks, of four and a half to five feet lift each. In connexion with this main stem, there is a Branch Canal, extending about twenty-two miles, and touching the border of the great Swatara coal basin, in Schuylkill and Dauphin counties, which is still further perforated, and made tributary to our Canal, by a Rail Road, be-

longing also to the Company, about four miles in length, of a single track.

These works, then, form the objects on which the sum of about two and a half millions of dollars, in round numbers, has been expended, and, when compared with the cost of other similar undertakings, do not show unfavourably, either with regard to the economy of their construction, or their real capacity to meet the trade of a fertile and improving country. What we are now suffering from is chiefly attributable to the changes which the science of canalling itself has undergone, and the ability of our neighbours, by the command of ample means, either to construct their works originally according to the modern theories, or to enlarge such as had been made on the more ancient plan. The enlargement of the Union Canal has, for several years, claimed the attention of the Board of Managers, and every exertion which they have been capable of making, has been directed to the accomplishment of a measure of vital interest to the Stock and Loanholders of the Company, and of equal, if not greater importance, to our commercial metropolis.

The citizens of Philadelphia have not only contributed nearly the whole of the amount of stock and loans, but upon every occasion, when the subject of enlarging the work has been presented to the Legislature, fortified it by their recommendation; and the votes of her representatives freely and liberally given in aid of the great system of internal improvements in the State, whether prosecuted by the Commonwealth or by Companies, have, on two recent occasions, met with similar liberality from a majority of the Legislature. In order that the most correct information might be placed before those to whom the works must be indebted for their enlargement, if such enlargement should take place; every examination of the face of the country, of the

supply of water, furnished by the streams near the route of the Canal, and of the trade in coal, iron, and agricultural products, which must use our works as the avenue to market, has been steadily progressing; and valuable reports, embracing all these matters, have been spread before the public by Engineers and others, either under the direction of the State authorities, by the request of the Company, or under the authority of popular conventions, called to consider the state of the trade of the middle region of Pennsylvania. That the ordinary repairs of our Canal might be made available for the forwarding of this great measure, the Managers have directed that whenever it becomes necessary to rebuild a lock, the new structure shall be made equal in capacity to those on the Pennsylvania Canal, (17 by 90 feet,) and the timber and other necessary materials for the repair of the locks on the Branch Canal is now in a course of preparation, and will be used for replacing the worn-out locks on that portion of the line. In making the preparations for the repairs of those locks on the enlarged plan, and to bring all the economy and skill into requisition which modern experience has furnished, the Board determined to employ Edward F. Gay, Esq., Civil Engineer, for a temporary period, to aid the Resident Engineer in adjusting the plans and contracts for the work, and to connect with his temporary services the duty of examining the whole of the line, and pointing out the proper sites for reservoirs, pumping stations, and other means of supplying the Canal, of enlarged width, with water. His examinations will embrace particularly those branches of the subject which have been most strenuously attacked by the enemies of the Union Canal; and the Board expect to have it in their power to present his report to the Stockholders, in connexion with this report, when it is prepared for circulation, in pamphlet form. A compa-

rative estimate of the cost of making such changes in our Canal as seem universally conceded to be essential for its existence, as a means of general transportation, shews that the construction of new locks, which would, in the first place, be requisite for the passage of boats of from fifty to sixty tons burthen, could be accomplished by an expenditure of about five hundred thousand dollars, and that subsequently the enlargement of the trunk of the Canal, might be prosecuted gradually, by a proper application of a portion of the tolls. The Board cannot permit themselves to believe that so small a sum, compared with the magnitude and value of the object to be accomplished, will be any longer withheld, by those whose pecuniary, as well as commercial interests, are involved in it, but that the Stock and Loan-holders, the Commonwealth by her Representatives, and the Citizens of the City and County of Philadelphia, will all unite in securing the subscription of the necessary amount.

The Board have already stated that by means of the Branch Canal and Rail Road, the great Anthracite Coal deposites, at the head of the Swatara and its tributaries are perforated, presenting a tonnage which, from its proximity to market, furnishes a broad and sure foundation for the most liberal expenditures on our Canal. In order to encourage and build up this trade, by making our works even in their present restricted shape, as economical for the transportation of Coal, as others in our vicinity, it was determined during the present year, to give a drawback upon all the Coal transported from the Pine Grove basin, to the Susquehanna and Schuylkill, of fifteen cents per ton in the former, and twenty-one cents in the latter case, thereby enabling the miners of our region, to occupy successfully the ground of competition with those whose labours are carried on near the large Canals.

The usual table of tonnage is annexed, and an examination of it shews, that while we fairly participate in the transportation of valuable merchandise and agricultural productions, the more profitable burthens of Coal and Iron, do not pay us a corresponding tribute. The returns of an adjoining and highly profitable Canal, present the following comparison: out of an entire tonnage of 686,716 tons, which passed over that work in the year 1839, about 453,000 consisted of Anthracite and Bituminous Coal, and would have left, if those articles had been excluded from their works, by the same circumstances which have controlled the trade on our Canal, a business quite as unprofitable to the Stockholders, as we have now unfortunately to lament. Such a comparison points distinctly to the source from whence we must look for a profitable return for our long invested capital, and for the means of keeping our faith with those to whom we are indebted; and while in the general benefit which would be shed upon the trade of our City, by the enlargement of our Canal, a sufficient inducement seems to be presented, for the co-operation of our fellow citizens; we must both as Stock and Loanholders, be prepared to submit to a temporary postponement of income, until the foundation of a solid and lasting revenue can be laid upon the fruits of those treasures which nature has placed within our grasp.

We feel that the time has come for pressing these considerations upon every mind; on all sides the spirit of commercial rivalry is at work, inviting our trade to seek their harbours, presenting a hundred avenues by which we may be drained of our property, and unless something be speedily done to effect a capacious water communication between the Susquehanna and the Schuylkill, the former noble river will almost cease to be considered as belonging to Pennsylvania, and its valuable trade will be snatched from our grasp entirely,

or only be permitted to reach us in small quantities, after having fertilized, in its circuitous route, the territory of two adjoining states. William Boyd, Esq., who had for several years with great faithfulness and zeal, filled the office of President of the Company, in consequence of the claims of his private business, resigned that station on the 2d of March last, and the Board under the powers vested in them by the Charter, have filled the post, by the appointment of James Clarke, Esq., who has had great experience in the management of Canals, by a long term of service in the Board of Canal Commissioners of this State. The Treasurer's account of the receipts and payments of the Company, during the year, is herewith presented. It shows that, in addition to the universal falling off in the tolls, which has been experienced on the lines of Canal in the State, that the wear and tear of our machinery, and the gradual decay of the destructible portions of our works, have materially increased our expenses for repairs, and in connexion with the considerations which have been urged in other parts of this report, we trust will bring about that condition of public opinion so necessary to put the oldest Canal in the Commonwealth in its proper position, and secure to our Citizens the full enjoyment of the advantages, which the immense expenditures of the State were intended to accomplish.

By order of the Board of Managers,

CHARLES GRAFF, *President, pro tem.*

Philadelphia, Union Canal Office,
November 19, 1840.

Dr. *Union Canal Company in account with Thomas P. Roberts, Treasurer.* *Cr.*

1839.				1839.			
Nov.	To Cash expended by order of the Board of Managers, from November 1st, 1839, to February 1st, 1840, viz.			Nov. 1.	By Balance as per settlement		$15,683 17
	Remitted William Lehman, Resident Engineer, to meet his payments to Collectors, Superintendents and Lock-keepers, for their Salaries, &c., damages, repairs, lumber and incidental expenses -	$8,055 49			By Cash received from tolls from November 1st, 1839, to February 1st, 1840, -	$13,802 72	
	Paid officers' salaries, - - - -	232 50			Received for rent of mill and schute, at Pine Grove, - - - - -	287 08	
	Paid unclaimed interest - - -	1,480 00			Received for interest, - - - -	104 40	
	Paid current expenses, - - -	424 07			Received on account of sales of land -	100 00	
	Paid on account of damages, - -	336 67					14,294 20
	Loaned upon interest - - - -	5,000 00			By Cash received from tolls, from February 1st to May 1st, - - - - - - - -	19,697 96	
			$15,528 73		Received for rent of lot, - - -	20 00	
	To Cash expended from February 1st to May 1st, 1840, viz.				Received for interest, - - -	22 50	
	Remitted William Lehman, R. E., to meet payments at Lebanon, - -	6,061 18			Received for iron sold, - - -	116 76	
	Paid officers' salaries, - - - -	1,787 50			Received amount loaned on interest, -	5,000 00	
	Paid on account of Union Canal, - -	300 00			Received for limestone sold, - -	45 00	
	Paid current expenses, - - - -	230 16			Received for notes, - - - -	2,376 00	
	Paid unclaimed interest, - - -	85 50					27,278 22
	Paid interest on loans due April 16, -	21,272 50			By Cash received from tolls from May 1st to August 1st, - - - - -	48,614 24	
			29,736 84		Received for limestone sold, - -	63 84	
	To Cash expended from May 1st to August 1st, 1840, viz.				Received for sales of land, - - -	175 00	
	Remitted to William Lehman, R. E., to meet payments at Lebanon, - -	19,720 54			Received for rents of mill, &c. - -	155 83	
	Paid interest on loans due July 16, -	23,308 50			Received for notes, - - - -	2,176 17	
	Paid officers' salaries, - - - -	1,670 83			Received for iron sold, - - - -	235 27	
	Paid unclaimed interest - - -	2,005 00					51,420 35
	Paid accrued interest on consolidated certificates of interest, - - - -	4,066 58			By Cash received from August 1st to November 1st, 1840, - - - - -	29,508 74	
	Paid notes, - - - - - - -	6,100 00			Received for rent of schute, oil mill, &c.	182 50	
	Paid for bricks for water works, - -	44 25			Received for interest, - - - -	34 10	
	Paid on account of damages, - -	85 00					29,725 34
	Paid for rail road iron, - - - -	78 77					
	Paid current expenses, - - - -	166 94					
			57,246 41				

To cash expended from August 1st to November, viz.						
Remitted William Lehman, R. E., to meet payments at Lebanon, - -	11,153 61					
Paid salaries, - - - - - -	3,475 00					
Paid on account of damages, - -	100 00					
Paid unclaimed interest, - - -	772 50					
Paid accrued interest on consolidated certificates of interest, - - - -	629 29					
Paid interest on loans due July 16, -	2,910 00					
Paid current expenses, - - -	267 11					
Paid on account of new boilers, - -	120 39					
Paid note, - - - - - -	2,200 00					
Paid certificates, - - - - -	43 54					
		21,671 44				
Balance,		14,217 86				
		$138,401 28				$138,401 28
			1840. Nov. 1.	By Balance, - - - - - - - - -		14,217 86

Examined and found correct—balance to be accounted for, fourteen thousand two hundred and seventeen dollars and eighty-six cents.

F. G. SMITH,
CHARLES DUTILH,
F. FRALEY,
} *Committee of Accounts.*

Philadelphia, November 14, 1840.

Statement of the Tonnage which passed the Union Canal, from November 1st, 1839, to November 1st, 1840.

	Pounds.
Flour, 83,452 barrels,	17,878,053
Grain, 1,015,598 bushels,	60,935,904
Whiskey, 6,382 barrels,	1.914,619
Iron, bar, pig, rail and castings,	15,067,682
Iron ore,	12,870,796
Coal, anthracite,	46,436,142
Coal, bituminous,	6,968,705
Lumber,	22,244,720
Shingles,	6,142,080
Staves,	1,154,689
Gypsum,	16,769,087
Fish, 7,733 barrels,	2,320,186
Salt, 105,503 bushels,	6,330,208
Merchandise,	21,957,514
Queensware,	283,937
Seed,	783,764
Bacon and pork,	591,856
Leather,	497,311
Nails,	713,882
Butter and lard,	476,875
Tobacco,	152,511
Cotton and wool,	136,795
Sundries, consisting of Lime, Limestone, Grindstone, Marble, Burr Blocks, Rail Road Sills, Bricks, &c. &c.	15,628,591
Pounds,	258,255,907

Equal to 115,292 tons 16 cwt. 1 qr. 7 lbs.

Amount of tolls received during the year ending November 1st, 1840, $110,855 79.

Total number of boats which passed the Canal this year, 6,180.

THOMAS P. ROBERTS,
Treasurer of the Union Canal Company.

Philadelphia, November 1st, 1840.